

**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C.**

In the Matter of)

DOCKET FILE COPY ORIGINAL

Petition of MCI for Preemption)
Pursuant to Section 252(e)(5) of the)
Telecommunications Act of 1996)

CC Docket No. 97-166

**RESPONSE OF THE MISSOURI
PUBLIC SERVICE COMMISSION**

COMES now the Missouri Public Service Commission ("MoPSC") and responds to the Petition of MCI Telecommunications Corporation and MCImetro Access Transmission Services, Inc. ("MCI") for preemption pursuant to Section 252(e)(5) of the Telecommunications Act of 1996, and 47 C.F.R. § 51.803(3). The MoPSC respectfully requests that the Commission deny the relief requested. The MoPSC issued its Final Arbitration Order on July 31, 1997 and thus MCI has no grounds for relief. A copy of the non-proprietary version of that Order is attached hereto as Attachment A.

The Final Arbitration Order of the MoPSC requires that the parties prepare and submit an interconnection agreement reflecting the findings of the MoPSC July 31, 1997 Order, including the rates adopted by no later than September 30, 1997.

I. INTRODUCTION: THE TELECOMMUNICATIONS ACT OF 1996

The Federal Telecommunications Act of 1996¹ ("1996 Act") requires that incumbent local exchange companies ("LECs") open their local networks to full, fair, and effective

¹ 47 U.S.C §§ 151 et. seq. (1996).

competition.² New Section 251(c) imposes several obligations on incumbent LECs which include the duties (1) to negotiate in good faith, subject to the provisions of Section 252, binding agreements to provide all of the obligations imposed in new Sections 252(b) and 251(c); (2) to provide interconnection at any technically feasible point of the same type and quality it provides to itself, on just, reasonable, and nondiscriminatory terms and conditions; (3) to provide access to network elements on an unbundled basis; (4) to offer resale of its telecommunications services at wholesale rates; (5) to provide reasonable public notice of changes to its network; and (6) to provide physical co-location, or virtual co-location if physical co-location is not practical. Further, the 1996 Act provides for compulsory arbitration by state public utility commissions absent voluntary agreement by the negotiating parties.³

II. MCI'S INITIAL ARBITRATION REQUEST TO THE MOPSC

Pursuant to Section 252(b), MCI filed its request for arbitration of an interconnection agreement with Southwestern Bell Telephone Company ("SWBT") on August 16, 1996. The MoPSC issued an Order granting a request by MCI and AT&T Communications of the Southwest, Inc. ("AT&T") to consolidate their arbitration requests on September 17, 1996. Thus, MCI's arbitration request was heard by the MoPSC as a consolidated proceeding with AT&T's request for arbitration.

² 47 U.S.C. §§ 251-253 (1996).

³ 47 U.S.C. § 252(b) (1996).

In the Federal Communication Commission's First Report and Order⁴, at ¶134, the FCC noted that it was anticipated that a state commission would arbitrate individual issues specified by the parties. The MoPSC's September 17, 1996 Order instructed the parties that: "[T]he issues memorandum shall clearly set out the position of each party on every contested issue." A listing of the issues presented to the MoPSC for determination is shown as Attachment B.

The MoPSC conducted an arbitration hearing October 8 through October 17, 1996. During that hearing, approximately 96 exhibits were presented as well as testimony spanning 1,782 pages of transcript. The Commission issued its Arbitration Order on December 11, 1996, making a determination of each and every contested issue presented to it by the parties as listed in the Issues Memorandum.

MCI, in its July 18, 1997 Petition before this Commission⁵, has listed some 65 or more issues that it claims the MoPSC did not address. This is a backdoor attempt by MCI to expand the list of issues to include those that it failed to properly bring before the MoPSC prior to the hearings in October 1996.

⁴ Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, CC Docket No. 96-98. (August 1, 1996).

⁵ MCI failed to comply with the requirements of 47 C.F.R. §51.803(2) in that the service upon the MoPSC was attempted by fax which was not officially received by the MoPSC until July 21, 1997. The fax was made by MCI to the MoPSC after the close of business on July 18, 1997 as evidenced by the fax transmission page attached hereto as Attachment C.

MCI claims that the MoPSC left many disputed issues unresolved. MCI has tried to parlay a statement by the MoPSC in its December 11, 1996 Arbitration Order into something upon which it can claim foul. The December 11 Order stated:

Any negotiated outcome inevitably rests on the good will and commitment of the negotiating parties. The record reflects that MCI and SWBT were not able to agree to a pre-negotiation non-disclosure agreement. The failure of the parties to negotiate in good faith has brought the arbitration of virtually every detail to the Commission's doorstep. The Commission has dedicated the necessary staff resources to hearing and resolving these issues and hereby encourages the parties to complete the process by negotiating their final agreements in compliance with this Arbitration Order. (emphasis added).⁶

The MoPSC was simply indicating that it expected MCI and SWBT to use the findings and conclusions included in the Arbitration Order to complete the process of preparing an Interconnection Agreement for filing that contained the provisions that were detailed in the December 11 Order. MCI tries to use that language to accuse the MoPSC of not making decisions on the issues presented. Such a claim is simply false.

On December 20, 1996, MCI filed an Application for Clarification while SWBT filed a Motion for Clarification, Modification and Rehearing as well as a Motion to Identify and Produce Information. MCI responded to the SWBT Motion on December 30, 1996 and asked additionally for further clarification, modification and rehearing. On January 6, 1997, SWBT filed its Reply to the Joint Response of MCI and AT&T, and on January 8, 1997, MCI and AT&T filed a Joint Motion to Strike the Reply of SWBT. On January 14, 1997, SWBT filed its Response to the MCI/AT&T Motion to Strike. These motions, responses

⁶ Arbitration Order, December 11, 1996, pp. 47-48.

and further requests were only the beginning of the "pleading war" which then ensued involving the parties to these arbitrations. Attached hereto as Attachment D is a listing, by date, of the pleadings and other documents that have been filed with the MoPSC since the issuance of the Arbitration Order on December 11, 1996.

The MoPSC, in an attempt to respond to pleadings filed immediately after the issuance of its Arbitration Order, issued an Order Granting Clarification and Modification and Denying Motion to Identify and Motions for Rehearing on January 22, 1997. In that Order, several issues were clarified or modified. Additionally, noting that it had been subjected to "recalcitrant parties that seek to present a State Commission with extreme positions based on incomplete, inaccurate or incomprehensible evidence⁷," the MoPSC determined that it had not been permitted the detailed analysis it considered necessary for establishing permanent rates for unbundled elements and resale.⁸

The MoPSC directed its advisory staff to conduct a 16-week investigation focusing on identifying the critical inputs and analyzing the costing models. Pursuant to that Order members of the MoPSC Staff, who were designated as advisory staff for purposes of this arbitration, spent a minimum of 76 cumulative staff days out of the office on this investigation. Attachment E lists the dates of Attendance for Review of the Staff members involved. All of these meetings except for two were at the St. Louis offices of SWBT. In addition to the 76 staff days spent in meetings, the Advisory Staff spent easily three to four times that amount of time reviewing, analyzing, compiling and preparing a

⁷ January 22, 1997 Order, p. 5.

⁸ Id. at p.8.

report to the MoPSC of its findings during the period following the January 22, 1997 Order.

As a result of this vast expenditure of staff hours, a report was prepared and presented to the MoPSC summarizing the findings and conclusions of the Advisory Staff. The Report has been made a part of the MoPSC Final Arbitration Order issued July 31, 1997 as Attachment C to that Order. (See Attachment A to this filing.)

III. MCI'S JUNE 16, 1997 FILING

MCI has attempted to mislead this Commission in its Petition. It has attempted to blame the MoPSC for failing to decide issues which were never properly before it for determination. MCI had an obligation to clearly present all issues by inclusion of those issues in the Issues Memorandum. MCI should not be permitted to hide behind its own failure to request determinations from the MoPSC by requesting that the FCC exercise its authority under Section 252(e)(5).

MCI has stated that "[h]aving determined that further negotiation was futile, on June 16, 1997, MCI filed a proposed interconnection agreement with the MoPSC including the negotiated and arbitrated terms and identifying provisions on which the parties have been unable to reach agreement."⁹ MCI then states that since that time the MoPSC "has taken no action respecting this proposed agreement." This is simply not true. It was during this time period that the MoPSC's advisory staff was analyzing data and compiling its report. Additionally, as evidenced by copies of the MoPSC's official agenda minutes which are attached as Attachment F, the MoPSC discussed the matter

⁹ MCI Petition, p. 15.

on many occasions. Further complicating this situation are the many filings received by the MoPSC relating to the proposed Interconnection Agreement filed by MCI. (See Attachment D). The MoPSC feels it is important to direct the Commission's attention to one of those pleadings. The Response of Southwestern Bell Telephone Company to MCI's Reply is attached hereto as Attachment G. In that response, SWBT compared the June 16, 1997 proposed agreement with the agreement originally filed as Exhibit 56 and the Term Sheet originally presented by MCI, and noted major inconsistencies and conflicts. (See Attachment G, at 9-16). In essence, the June 16, 1997 filing by MCI was nothing more than a request by MCI for further arbitration of issues relating to its interconnection agreement that it had failed to present for determination in its August 1996 request for arbitration. MCI should not be permitted to turn its failure into a victory by filing an interconnection agreement with the MoPSC that is incomplete and unexecuted and then asking the FCC to relieve the MoPSC of jurisdiction for failing to act upon that incomplete filing. To this date, there has been no filing by any party in compliance with the MoPSC's order regarding the arbitration. There is no executed Interconnection Agreement upon which the MoPSC can issue an order either rejecting or adopting as anticipated by Section 252(e)(1).

IV. CONCLUSION

As can be seen from the discussion above, this has not been an easy process for any of the parties, the MoPSC Advisory Staff or the MoPSC. The arbitration proceeding has been fraught with delays, highly contested hearings, numerous Motions, Responses and even Responses to the Responses. The MoPSC has been diligent in its efforts to

consider all the evidence and information available to it in reaching its final decision on the issues that were properly presented to it by all parties to the proceeding. A Final Arbitration Order has been issued on those issues presented to the MoPSC and the FCC should reject the request of MCI and direct MCI to comply with the Order of the MoPSC.

Respectfully submitted,

Penny Baker by Elizabeth H. Ross

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as listed below this 4th day of August, 1997.

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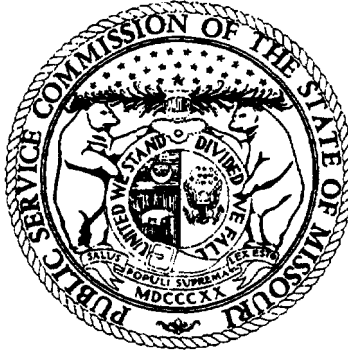
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**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**



In the Matter of AT&T Communications of the
Southwest, Inc.'s Petition for Arbitration Pursuant
to Section 252(b) of the Telecommunications Act of
1996 to Establish an Interconnection Agreement with
Southwestern Bell Telephone Company.

)
)
) Case No. TO-97-40
)
)

In the Matter of the Petition of MCI Telecommunica-
tions Corporation and Its Affiliates, Including
MCImetro Access Transmission Services, Inc., for
Arbitration and Mediation Under the Federal Tele-
communications Act of 1996 of Unresolved Intercon-
nection Issues With Southwestern Bell Telephone
Company.

)
)
) Case No. TO-97-67
)
)
)

FINAL ARBITRATION ORDER

ATTACHMENT A

Issue Date: July 31, 1997

Effective Date: August 20, 1997

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office
in Jefferson City on the 31st
day of July, 1997.

In the Matter of AT&T Communications of the)
Southwest, Inc.'s Petition for Arbitration Pursuant)
to Section 252(b) of the Telecommunications Act of) Case No. TO-97-40
1996 to Establish an Interconnection Agreement with)
Southwestern Bell Telephone Company.)
)

In the Matter of the Petition of MCI Telecommunica-)
tions Corporation and Its Affiliates, Including)
MCImetro Access Transmission Services, Inc., for)
Arbitration and Mediation Under the Federal Tele-) Case No. TO-97-67
communications Act of 1996 of Unresolved Intercon-)
nection Issues With Southwestern Bell Telephone)
Company.)
)

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FINAL ARBITRATION ORDER

I. Procedural History

On December 11, 1996, the Commission issued its Arbitration Order
in this case. Within that order the Commission established the basis upon

which prices and discounts would be established. In response to that order, numerous motions were filed requesting various forms of relief, rehearing, reconsideration or clarification.

On January 22, 1997, the Commission issued its Order Granting Clarification And Modification And Denying Motion To Identify And Motions For Rehearing. This order modified approximately eight items from the Arbitration Order and, inasmuch as the Commission's Arbitration Order identified the rates as interim, this order set a schedule for the development of permanent rates. That schedule established a complex list of weekly tasks for the Commission's Arbitration Advisory Staff to undertake beginning February 10 with a targeted concluding date of June 30 for the issuance of permanent rates.

The complexity of the issues which were being reviewed by the Arbitration Advisory Staff and the depth of information which was available on each issue compelled the Commission to extend its own deadline in order to ensure a complete and thorough review of all cost, pricing and rate issues. As a result, on June 9 the Commission issued a Notice Regarding Schedule For Development Of Permanent Rates. At that time the Commission reiterated its original intent to announce proposed permanent rates and to allow the parties 30 days in which to respond to those proposed rates.

The Commission finds it appropriate to establish permanent rates at this time so that this matter may be resolved in such a way as to maximize the opportunities for these parties to move Missouri toward local competition. Rather than delay this matter by an additional 30 days for comment, the Commission will make this its final order. However, in the interests of due process, the Commission will allow the parties twenty days to move for reconsideration or clarification.

The process of reviewing the costs, discounts and proposed rates was designed so that Southwestern Bell Telephone Company (SWBT), AT&T Communications of the Southwest, Inc. (AT&T) and MCI Telecommunications Corporation (MCI) could designate the appropriate subject matter expert (SME) or provide documentation in support of its position. As a result, the process led to a remarkable level of open communication and cooperation between SWBT, AT&T, MCI and the Arbitration Advisors. The work which has resulted from this effort consumes several hundred pages and constitutes a thorough and exhaustive review of each and every cost factor which the Commission finds relevant to this arbitration. This "Costing and Pricing Report" is Attachment C. A similar document containing highly confidential information has been filed and provided to the parties pursuant to the Commission's procedures set out in its Protective Order.

II. Discussion and Findings

The Commission finds that the discount rate for resold services should be reduced from 20.32 percent to 19.2 percent for all services except operator services and 13.91 percent for operator services only. In light of the extensive review and analysis by the Commission's Advisory Staff (see Attachment C), the Commission finds that a 19.2 percent discount rate for all services except operator services and a 13.91 percent for operator services only results in just and reasonable rates for resold basic local telecommunications services. The parties shall prepare an interconnection agreement that incorporates the rates selected in Attachment A to this Final Arbitration Order which is entitled "Resale Study for SWBT."

The Commission finds that, in light of the extensive review and analysis by the Commission's Advisory Staff (see Attachment C), certain

modifications should be made to the interim rates previously ordered for unbundled network elements (UNEs). The Commission finds that the permanent rates for UNEs, included with this Final Arbitration Order as Attachment B entitled "Permanent Prices for Unbundled Network Elements," result in just and reasonable rates. The parties shall prepare an interconnection agreement that incorporates the rates in Attachment B.

Prices for the unbundled network elements include the full functionality of each element. No additional charges for any such element, the functionalities of the element, or the activation of the element or its functionalities shall be permitted.

The Commission will direct the parties to complete interconnection agreements in full conformance with the attached document in 60 days.

The Commission finds that the attachments to this order constitute a final reconciliation of all pending issues from the original Arbitration Order as issued on December 11, 1996. The original Arbitration Order shall remain effective to the extent that it is not inconsistent with this order.

In this regard, the Commission rejects all proposed interconnection agreements previously tendered by any party. It also denies SWBT's motion to strike, AT&T's motion to establish a procedural schedule and OPC's motion agreeing to AT&T's as moot.

IT IS THEREFORE ORDERED:

1. That the issues set out by the parties shall be resolved consistent with this order and the attachments hereto. Southwestern Bell Telephone Company, AT&T Communications of the Southwest, Inc. and MCI Telecommunications Corporation shall negotiate a final interconnection agreement for submission to the Missouri Public Service Commission consistent with this order.

2. That the rate schedules attached to this Final Arbitration Order as Attachments A and B shall be the approved permanent rates for all the elements and services listed therein.

3. That the parties shall have until August 20, 1997 to move for reconsideration or clarification.

4. That the parties shall prepare and submit to the Commission for approval an interconnection agreement reflecting the findings embodied in this order and the permanent rates embodied in Attachments A and B.

5. That the agreement described in Ordered Paragraph 4 shall be submitted to the Commission no later than September 30, 1997.

6. That the parties shall comply with the Commission's findings on each and every issue.

7. That the Arbitration Order issued in this case on December 11, 1996 shall remain effective to the extent that it is not inconsistent with this order.

8. That any proposed interconnection agreements filed herein are rejected and all pending motions which have not been previously addressed are hereby denied.

9. That this Final Arbitration Order shall become effective on August 20, 1997.

BY THE COMMISSION

(S E A L)



**Cecil I. Wright
Executive Secretary**

Crumpton, Drainer, Murray
and Lumpe, CC., concur.
Zobrist, Chm., concurs,
with concurring opinion to
follow.

**CASE NO. TO-97-40
and
CASE NO. TO-97-67**

Final Arbitration Order

ATTACHMENT A

**Calculation Detail by Account of Development of Wholesale Discount -
All Services Except Operator Services**

Resale Study for SWBT

Avoided Cost Study, 1996 ARMIS Data

Costs:		Total Missouri	%	SWBT
		Regulated	Avoided	Avoided
		(\$000)		(\$000)
Direct:				
6611	Product Management	7206	50%	3603
6612	Sales	22214	90%	19993
6613	Product Advertising	11022	90%	9920
6621	Call Completion services	11181	100%	11181
6622	Number Services	34145	100%	34145
6623	Customer Services	95206	90%	85685
Indirect:				
5301	Uncollectible Revenue	16669	15.67%	2612
6112	Motor Vehicle Exp.	826	0.00%	0
6113	Aircraft Exp.	0	0.00%	0
6114	Spec Purpose Vehicle	0	0.00%	0
6115	Garage Work Equipment	14	0.00%	0
6116	Other Work Equipment	141	0.00%	0
6121	Land & Buld Exp.	-9877	15.67%	-1548
6122	Furniture & Artwork	-219	15.67%	-34
6123	Office Exp.	2552	15.67%	400
6124	Gen Purpose Computers	-23693	15.67%	-3713
6211	Analog Electronic Exp.	15021	0.00%	0
6212	Digital Electronic Exp.	42980	0.00%	0
6215	Electro-mech Exp.	93	0.00%	0
6220	Operators Exp.	300	0.00%	0
6231	Radio System Exp.	358	0.00%	0
6232	Circuit System Exp.	19641	0.00%	0
6311	Station Apparatus Exp.	1	0.00%	0
6341	Lg PBX/Exp.	201	0.00%	0
6351	Public Tel Term Eq Exp.	4163	0.00%	0
6362	Other Terminal Eq Exp.	20051	0.00%	0
6411	Poles Exp.	1684	0.00%	0
6421	Aerial Cable Exp.	47185	0.00%	0
6422	Underground Cable Exp.	6641	0.00%	0
6423	Buried Cable Exp.	66906	0.00%	0

6424	Submarine Cable Exp.	0	0.00%	0
6425	Deep Sea Cable Exp.	0	0.00%	0
6426	Intrabuilding Network Cabl	36	0.00%	0
6431	Aerial Wire Exp.	27	0.00%	0
6441	Conduit Systems Exp.	806	0.00%	0
6511	Telecomm Use Exp.	0	0.00%	0
6512	Provisioning Exp.	28	0.00%	0
6531	Power Exp.	4598	0.00%	0
6532	Network Admin Exp.	13298	0.00%	0
6533	Testing Exp.	38402	0.00%	0
6534	Plant Operations Admin	29487	0.00%	0
6535	Engineering Exp.	17813	0.00%	0
6540	Access Exp.	53298	0.00%	0
6561	Depreciation Telecom plan	347816	0.00%	0
6562	Depreciation Future Telecc	0	0.00%	0
6563	Amortization Exp. - Tangit	683	0.00%	0
6564	Amortization Exp. - Intang	0	0.00%	0
6565	Amortization Exp. - Other	5298	0.00%	0
6711	Executive	5562	15.67%	872
6712	Planning	1727	15.67%	271
6721	Accounting & Finance	12106	15.67%	1898
6722	External Relations	19542	15.67%	3063
6723	Human Resources	16480	15.67%	2583
6724	Information Management	43707	15.67%	6851
6725	Legal	5192	15.67%	814
6726	Procurement	3682	15.67%	577
6727	Research and Developmer	5739	15.67%	900
6728	Other Gen & Admin	31882	15.67%	4997
Total		<u>\$868,667</u>		<u>\$185,069</u>

Revenues:

		% Included:	Included:
Local Service	807299	100%	807299
Toll Network Service	156649	100%	156649
Network Access Service	444248	0%	0
Miscellaneous	172704	0%	0
Total	<u>\$1,580,900</u>		<u>\$963,948</u>

Resale Percentage Discount on Revenue:

% of Resold Services Revenue	19.20%
(Local & Toll Network Service)	

**Calculation Detail by Account of Development of Wholesale Discount -
Operator Services Only**

Resale Study for SWBT

Avoided Cost Study, 1996 ARMIS Data

Costs:		Total Missouri	%	SWBT
		Regulated	Avoided	Avoided
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6611	Product Management	7206	50%	3603
6612	Sales	22214	90%	19993
6613	Product Advertising	11022	90%	9920
6621	Call Completion services	11181	0%	0
6622	Number Services	34145	0%	0
6623	Customer Services	95206	90%	85685
Indirect:				
5301	Uncollectible Revenue	16669	11.35%	1893
6112	Motor Vehicle Exp.	826	0.00%	0
6113	Aircraft Exp.	0	0.00%	0
6114	Spec Purpose Vehicle	0	0.00%	0
6115	Garage Work Equipment	14	0.00%	0
6116	Other Work Equipment	141	0.00%	0
6121	Land & Buld Exp.	-9877	11.35%	-1121
6122	Furniture & Artwork	-219	11.35%	-25
6123	Office Exp.	2552	11.35%	290
6124	Gen Purpose Computers	-23693	11.35%	-2690
6211	Analog Electronic Exp.	15021	0.00%	0
6212	Digital Electronic Exp.	42980	0.00%	0
6215	Electro-mech Exp.	93	0.00%	0
6220	Operators Exp.	300	0.00%	0
6231	Radio System Exp.	358	0.00%	0
6232	Circuit System Exp.	19641	0.00%	0
6311	Station Apparatus Exp.	1	0.00%	0
6341	Lg PBX/Exp.	201	0.00%	0
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6533	Testing Exp.	38402	0.00%	0
6534	Plant Operations Admin	29487	0.00%	0
6535	Engineering Exp.	17813	0.00%	0
6540	Access Exp.	53298	0.00%	0
6561	Depreciation Telecom plan	347816	0.00%	0
6562	Depreciation Future Telecc	0	0.00%	0
6563	Amortization Exp. - Tangit	683	0.00%	0
6564	Amortization Exp. - Intang	0	0.00%	0
6565	Amortization Exp. - Other	5298	0.00%	0
6711	Executive	5562	11.35%	632
6712	Planning	1727	11.35%	196
6721	Accounting & Finance	12106	11.35%	1375
6722	External Relations	19542	11.35%	2219
6723	Human Resources	16480	11.35%	1871
6724	Information Management	43707	11.35%	4963
6725	Legal	5192	11.35%	590
6726	Procurement	3682	11.35%	418
6727	Research and Developmer	5739	11.35%	652
6728	Other Gen & Admin	31882	11.35%	3620
Total		<u>\$868,847</u>		<u>\$134,081</u>

Revenues:

		% included:	Included:
Local Service	807299	100%	807299
Toll Network Service	156649	100%	156649
Network Access Service	444248	0%	0
Miscellaneous	172704	0%	0
Total	<u>\$1,580,900</u>		<u>\$963,948</u>

Resale Percentage Discount on Revenue:

% of Resold Services Revenue	13.91%
(Local & Toll Network Service)	

**CASE NO. TO-97-40
and
CASE NO. TO-97-67**

Final Arbitration Order

ATTACHMENT B

Permanent Prices for Unbundled Network Elements

Rate Zone*	Tariffed Rate Group	Staff Proposed Price	NRCs First	Additional
<u>Unbundled Loops</u>				
2-Wire 8 db Loop				
Zone 1	Group D	\$12.71		
Zone 2	Group B	\$20.71		
Zone 3	Group A	\$33.29		
Zone 4	Group C	\$18.23		
	Statewide		\$26.07	\$11.09
4-Wire 8 db Loop				
Zone 1	Group D	\$19.79		
Zone 2	Group B	\$35.35		
Zone 3	Group A	\$61.16		
Zone 4	Group C	\$30.08		
	Statewide		\$28.77	\$11.09
ISDN-BRI Loop				
Zone 1	Group D	\$25.79		
Zone 2	Group B	\$42.10		
Zone 3	Group A	\$58.44		
Zone 4	Group C	\$41.44		
	Statewide		\$57.77	\$30.22
ISDN-PRI Loop				
Zone 1	Group D	\$101.18		
Zone 2	Group B	\$106.06		
Zone 3	Group A	\$107.89		
Zone 4	Group C	\$101.39		
	Statewide		\$136.63	\$53.94
DS 1 Digital Loop				
Zone 1	Group D	\$101.18		
Zone 2	Group B	\$106.06		
Zone 3	Group A	\$107.89		
Zone 4	Group C	\$101.39		
	Statewide		\$136.63	\$53.94
dB Loop Loss Conditioning		\$6.63	\$22.76	\$8.58
<u>Cross Connects</u>				
Cross - Connects with Test Equipment, Same Central Office				
2-Wire Analog		\$1.89	\$35.83	\$29.44
4-Wire Analog		\$3.77	\$41.63	\$35.73
2-Wire Digital ISDN-BRI		\$1.89	\$35.83	\$29.44
4-Wire Digital DS-1/ISDN-PRI		\$9.00	\$60.04	\$41.06
Cross - Connects without Test Equipment, Same Central Office				
2-Wire Analog		\$0.31	\$19.96	\$12.69
4-Wire Analog		\$0.63	\$25.38	\$17.73
2-Wire Digital ISDN-BRI		\$0.31	\$19.96	\$12.69
4-Wire Digital DS-1/ISDN-PRI		\$0.00	\$34.48	\$28.57
Cross-Connects to Different CO or SWBT Multiplexor				
2-Wire Analog		\$4.03	\$52.24	\$45.85
4-Wire Analog		\$5.19	\$60.47	\$54.57
2-Wire Digital ISDN-BRI		\$6.31	\$52.24	\$45.85

* Staff proposed 4 rate zones corresponding to SWBT's tariffed rate groups while the Interim and SWBT proposed 3 rate zones by combining tariffed rate zones C and D into one zone.

Permanent Prices for Unbundled Network Elements

Rate Zone*	Tariffed Rate Group	Staff Proposed Price	First	NRCs Additional
<u>Local Switching Port Charges</u>				
2-Wire Analog Line-Side Port				
Zone 1	Group D	\$1.74		
Zone 2	Group B	\$1.97		
Zone 3	Group A	\$2.47		
Zone 4	Group C	\$2.25		
	Statewide		\$39.37	\$35.27
ISDN-BRI Port				
Zone 1	Group D	\$5.56		
Zone 2	Group B	\$5.56		
Zone 3	Group A	\$5.56		
Zone 4	Group C	\$5.56		
	Statewide		\$6.47	\$3.53
ISDN-PRI Port				
Zone 1	Group D	\$165.85		
Zone 2	Group B	\$165.85		
Zone 3	Group A	\$165.85		
Zone 4	Group C	\$165.85		
	Statewide		\$214.53	\$98.53
DS-1 Trunk Port				
Zone 1	Group D	\$132.14	\$162.38	\$24.76
Zone 2	Group B	\$126.71	\$162.44	\$24.83
Zone 3	Group A	\$58.04	\$160.47	\$22.86
Zone 4	Group C	\$140.35	\$164.98	\$27.36
2-Wire Analog Trunk Port (DID)				
Zone 1	Group D	\$13.55	\$64.00	
Zone 2	Group B	\$14.45	\$69.47	
Zone 3	Group A	\$10.60	\$59.76	
Zone 4	Group C	\$15.12	\$62.01	
<u>Usage - per Minute of Use</u>				
Zone 1	Group D	\$0.001988		
Zone 2	Group B	\$0.002391		
Zone 3	Group A	\$0.003444		
Zone 4	Group C	\$0.002934		
	Statewide		na	

* Staff proposed 4 rate zones corresponding to SWBT's tariffed rate groups while the Interim and SWBT proposed 3 rate zones by combining tariffed rate zones C and D into one zone.

Permanent Prices for Unbundled Network Elements

Rate Zone*	Tariffed Rate Group	Staff Proposed Price	NRCs First	Additional
<u>Dedicated Interoffice Transport</u>				
DS 1 Dedicated Transport I/O				
First Mile, per month				
Zone 1	Group D	\$57.49	\$184.84	\$118.14
Zone 2	Group B	\$86.96	\$184.84	\$118.14
Zone 3	Group A	\$92.07	\$184.84	\$118.14
Zone 4	Group C	\$48.70	\$184.84	\$118.14
InterZone		\$100.36	\$184.84	\$118.14
DS 1 Dedicated Transport I/O				
Additional Mile, per month				
Zone 1	Group D	\$0.62	\$184.84	\$118.14
Zone 2	Group B	\$1.67	\$184.84	\$118.14
Zone 3	Group A	\$1.60	\$184.84	\$118.14
Zone 4	Group C	\$0.19	\$184.84	\$118.14
InterZone		\$0.97	\$184.84	\$118.14
DS 3 Dedicated Transport I/O				
First Mile, per month				
Zone 1	Group D	\$925.21	\$203.10	\$135.06
Zone 2	Group B	\$1,824.14	\$203.10	\$135.06
Zone 3	Group A	\$2,052.06	\$203.10	\$135.06
Zone 4	Group C	\$789.13	\$203.10	\$135.06
InterZone		\$2,361.66	\$203.10	\$135.06
DS 3 Dedicated Transport I/O				
Additional Mile, per month				
Zone 1	Group D	\$15.64	\$203.10	\$135.06
Zone 2	Group B	\$56.45	\$203.10	\$135.06
Zone 3	Group A	\$97.60	\$203.10	\$135.06
Zone 4	Group C	\$17.32	\$203.10	\$135.06
InterZone		\$25.87	\$203.10	\$135.06
Transport Cross-Connects				
DS 3		\$30.08	\$54.98	\$42.90

- * Staff proposed 4 rate zones corresponding to SWBT's tariffed rate groups while the Interim and SWBT proposed 3 rate zones by combining tariffed rate zones C and D into one zone.
- ** The rate for an entrance facility should only apply when this element is actually utilized.

Permanent Prices for Unbundled Network Elements

	Staff Proposed Price	First	NRCs Additional
<u>Tandem Switching</u>			
per Minute Of Use	\$0.00151	na	na
<u>Signaling and Call Related Databases</u>			
Signal Transfer Point (STP) Port	\$480.61	\$217.14*	
SS7 Transport	\$0.0000007	na	na
Toll Free Calling Database Query			
Simple	\$0.000254	na	na
Complex	\$0.000288	na	na
Calling Name Delivery Query	\$0.000304	na	na
Line Information Database Query	\$0.000449	\$108.55	
<u>Dark Fiber</u>			
Fiber Termination			
Statewide	\$4.50	\$42.52	\$28.41
Fiber, per strand, per mile			
Zone 1 Group D	\$0.002085		
Zone 2 Group B	\$0.003156		
Zone 3 Group A	\$0.004752		
Zone 4 Group C	\$0.002085		
<u>Unbundled Common Transport</u>			
Facility Cost per Minute, per Mile			
Zone 1- Group D	\$0.000002	na	na
Zone 2 - Group B	\$0.000007		
Zone 3 - Group A	\$0.000015		
Zone 4 - Group C	\$0.000001		
InterZone	\$0.000003		
Termination Cost Per Minute of Use			
Zone 1- Group D	\$0.000190	na	na
Zone 2 - Group B	\$0.000285		
Zone 3 - Group A	\$0.000302		
Zone 4 - Group C	\$0.000162		
InterZone	\$0.000332		
<u>Directory Assistance and Operator Services</u>			
Directory Assistance	1	na	na
Directory Assistance Call Completion	1		
Directory Assistance Listing	1		
Local Operator Assistance	1		
IntraLATA Operator Assistance	1		
Operator Work Seconds	1		

1 Lowest Existing Intercompany Compensation Arrangement

* Includes NRC for STP port termination, signaling point code, and global title translation.